



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MENTAL HEALTH AND ADDICTION SERVICES
222 SOUTH WARREN STREET
PO Box 700
TRENTON, NJ 08625-0700

CHRIS CHRISTIE
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Lt. Governor

ELIZABETH CONNOLLY
Acting Commissioner

VALERIE L. MIELKE, MSW
Assistant Commissioner

TO: Substance Use Disorder ("SUD") Treatment Providers

FROM: Valerie L. Mielke, Assistant Commissioner
Division of Mental Health and Addiction Services

DATE: June 21, 2016

SUBJECT: Fee-for-Service Cash Advance Guidelines and Procedures

The Division of Mental Health and Addiction Services is pleased to announce implementation of its Fee-for-Service (FFS) Cash Advance Program. This program is designed to assist providers that are transitioning from a cost-reimbursement contract to fee-for-service payment with potential cash flow challenges during the initial months of the transition. The enclosed Cash Advance Guidelines and Procedures describes the program, including the qualifying criteria, the amount of the cash advance, repayment requirements and procedures to request a cash advance. If you are interested in receiving a cash advance, please be sure to carefully review these Guidelines.

In order to expedite the process for providers transitioning to FFS in July 1, 2016, the Division is modifying one of the requirements in the Guidelines. More specifically, the Guidelines require providers requesting a cash advance to demonstrate sustainability under the new FFS payment structure by either completing the Department's cash flow template or by submitting a provider-developed model analyzing fiscal sustainability. For providers transitioning on July 1, 2016, the Division has developed an alternate process for determining fiscal sustainability that will not require the provider to complete the cash flow template or provide its own analysis. Rather, the Division will use the RFP fiscal viability scoring process as a marker for sustainability. If that process results in a score suggesting non-sustainability, then the provider will be given an opportunity to demonstrate sustainability through the process set forth in the Guidelines.

The enclosed Guidelines include the following attachments that must be completed and submitted to the Division in order to be considered for a cash advance payment:

- Fee-for-Service Cash Advance Agreement
- Cash Advance Amount and Repayment Schedule

- Transition to Fee-for-Service Cash Advance Program Promissory Note
- Fee-for-Service Cash Advance Attestation Form

For providers transitioning to fee-for-service on July 1, 2016, the above-listed documents must be submitted to the following address by July 31, 2016, in order to be considered for a cash advance:

Department of Human Services
Division of Mental Health and Addiction Services
Office of Fiscal & Management Operations
Capital Place One (5th Floor)
222 South Warren Street
PO Box 700
Trenton, NJ 08625

Please consult the Guidelines for the background information needed to complete the cash advance amount and schedule information required in the above-cited documents. If you require further guidance in completing the documents or have questions regarding the FFS Cash Advance Program, please contact Susanne Rainier, at 609-777-0629.

Thank you for your continuing cooperation and understanding as we move forward with the transition to fee-for-service.

VLM:pjt
Enclosure

c: Roger Borichewski
Renee Burawski
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County Analysts